

2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Global Equities (C. Wood)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2 nd Quarter Status
50%	Global Equity Performance	Return deviation in basis points relative to: Global Equity performance benchmark (GLOBLIC vs. CPERSGE2)	- 50 basis points = 0 - 10 basis points = 1.0 + 15 basis points = 1.5	-87 bps {(0.51) - 0.36}
5%	Absolute Return Strategies	Return Deviation in basis points relative to: Program Benchmark (SNLCA1 vs. CPERHED2)	0 basis points = 0 + 50 basis points = 1.0 + 100 basis points = 1.5	-431 bps {1.65 - 5.96}
2.5%	Corporate Governance External	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks: Governance funds asset weighted by invested capital (SN6KA1 vs. CPERSEC2)	+ 75 basis points = 0 + 175 basis points = 1.0 + 275 basis points = 1.5	-837 bps {(12.87) - (4.50)}
2.5%	Corporate Governance Internal	Excess return of CalPERS Internal Relational Portfolio compared to the Wilshire 2500 (SW8B vs. Y082)	0 basis points = 0 + 100 basis points = 1.0 + 200 basis points = 1.5	-710 bps {(8.44) - (1.34)}
25%	Total Fund	Excess return in basis points relative to: Total Fund Performance Benchmark (SJ1CA1 vs. CPERSTO2)	- 40 basis points = 0 0 basis points = 1.0 + 20 basis points = 1.5	-57 bps {2.53 - 3.10}
85%	Subtotal	Quantitative Measures		

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2 nd Quarter Status
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within Investment Group (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee) • CalPERS (e.g., involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) • Diversity (e.g., promote meaningful diversity among our investment partners and staff) • Succession Plan (e.g., training and developing strong internal candidates to potentially fill my role in the future) 	From Schedule	<p>Met with Canada's Pension Associations to analyze and research Asset Allocation's best practices for future implementation.</p> <p>Attended Fall meeting of the Public Company Accounting Oversight Board (PCAOB) as an investor representative.</p> <p>Speaker at the Asian Corporate Governance Association (ACGA) Conference in Tokyo, Japan. This conference united high-level speakers and delegates from around Asia and leading financial institutions from around the world for thought-provoking discussions on practical issues or corporate governance for how business in Asia will impact the world's financial markets.</p> <p>Speaker at the Institutional Investors Roundtable to discuss increase in the use of hedge funds by pension plans and non-profit institutions in the next several years within the Global Markets.</p>

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	Leadership (cont.)			<p>Attended the Sunshine Act Meeting at The General Counsel of the Commission of the Securities and Exchange Commission (SEC) in Washington, DC. Attendance was important to CalPERS' Corporate Governance Unit, due to the fact that this meeting will adopt the amendments to the proxy rules under the Securities Exchange Act of 1934 and clarify its interpretation, which will facilitate the use of electronic shareholder forums.</p> <p>Attended the AAIM Capital Forum in San Francisco to participate and encourage CalPERS' Diversity Program. Target audience was Asian American senior fund managers such as CIOs, CEOs, managing directors, and principals who seek to learn how to do business with institutional funds such as CalPERS and CalSTRS.</p> <p>Participated in the Strategic Planning Offsite, presented by Dr. Gordon Hewitt to assist senior staff in defining and executing our strategic vision in the context of new competitive realities.</p> <p>Leadership has been exhibited in all areas of Corporate Governance in the accounting industry and in proxy access.</p>

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	Leadership (cont.)			<p>Continuously demonstrate commitment to CalPERS Diversity Policy with the allocation of emerging managers in both hedge funds and long-only managers, as well as in the area of succession planning.</p> <p>Completion of Annual and Probationary Reports on schedule.</p> <p>Aided in the preparation of Investment Committee Agenda Item on Global Equity Domestic / International Allocation, REIT Exposure, Small & Mid-Cap Exposure and Benchmark.</p>
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		